GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:3970
ANSWERED ON:09.08.2002
PROBLEMS OF TOBACCO INDUSTRY
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government / Tobacco Board have studied the problems of the tobacco industry;

(b) if so, the outcome thereof and the steps proposed to remove the said problems;

(c) whether the Tobacco Board is planning to expand its export base by exporting new global markets this year;

(d) if so, the names of the countries where Indian tobacco would find its market;

(e) the target fixed for the export of tobacco during this year and during the next three years;

(f) the projected export earning from the raw tobacco and from the tobacco products from each of the foreign countries;

(g) the percentage growth of exports over the last year in terms of quantity and value; and

(h) the further steps proposed to augment the exports of tobacco products in the coming years?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)

(a) & (b): The Tobacco Board, which studies the problems of the tobacco industry on a continual basis, has identified the impact of the international anti-smoking campaign and increased competition from countries such as China, Brazil and Zimbabwe on demand for Indian tobacco and the trend of over-production in recent years to be the main problems of the sector. In order to overcome the problem of fall in demand for Indian tobacco in overseas markets, steps such as participation in international tobacco exhibitions and fairs, advertisement campaigns in the international media and organisation of trade delegations to and from important tobacco importing nations have been taken. The increase in the penalty on the sale of unauthorised tobacco produced by the growers is intended to address the problem of over-production.

(c) & (d): The Tobacco Board has identified a few new markets, where there is potential for exporting Indian tobacco. These include, inter-alia, Turkey, Romania, Bulgaria, Spain etc.

(e) & (f): International trade in tobacco, as in all agricultural commodities, is dependent on various domestic and international factors. Projections of exports, which are based on past trends, are, therefore, in the nature of estimates. It is estimated that the value of export of unmanufactured tobacco and tobacco products from India in the year 2002-03 will be around US$ 200 Million.

(g): Exports of tobacco and tobacco products in the year 2001-02 fell by 2% in Rupee terms over 2000-2001. In the period April-June 2002, exports rose by 1% over the corresponding period in 2001.

(h) The export promotion measures outlined in (b) above will continue to be pursued.